

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 2236 - SB 2507

February 21, 2014

SUMMARY OF BILL: Authorizes in any county having over 300,000 tax parcels, upon adoption of a resolution by the county legislative body and written agreement between the county trustee and court clerk, the county trustee to collect delinquent property taxes on all property included on the delinquent list until such properties are sold in a delinquent tax sale.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown variables, a precise fiscal impact to local government cannot be determined; however the permissive net increase in local government revenues is estimated to exceed \$10,000.

Assumptions:

- According to the Comptroller of the Treasury, the provisions of the bill are applicable only to Shelby County.
- Any vote required by the local legislative body can be accomplished at a regularly scheduled meeting.
- Any written agreement required between the county trustee and court clerk can be accomplished without any significant fiscal impact to local government.
- Pursuant to Public Chapter 591 from 2004, Montgomery County is the only county authorized to collect delinquent property taxes via the county trustee until such properties are sold in a delinquent tax sale.
- According to the Montgomery County Trustee, the county has experienced an increase in delinquent property tax collections since the passage of Public Chapter 591; however the Trustee's office has experienced an increase in workload and cost.
- According to the Montgomery County Trustee's website, there were 47 parcels offered at the August 2013 delinquent tax sale.
- According to the Shelby County Trustee's website there were 1,518 parcels offered at the April 2014 delinquent tax sale. The assessed value of all properties offered ranged from \$0 to \$326,480; however the amount of taxes, penalties, and interest owed on each property is unknown.

- Due to multiple unknown variables such as, if the provisions of the bill will result in an increase to delinquent property tax collections within Shelby County, the extent of any delinquent property taxes collected as a result of passage of this bill that would not have otherwise been collected, if the provisions of the bill will result in an increase in expenditures for the Shelby County Trustee's office, and the extent of any increase in local expenditures as a result of passage of this bill for the County Trustee's office, a precise fiscal impact to local government cannot be determined; however it is estimated to result in a net increase to local government revenue exceeding \$10,000.
- Any fiscal impact will be permissive.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh